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இலங்கைப் பரீட்சைத் திணைக்களம்
Department of Examinations, Sri Lanka

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අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2020
கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2020
General Certificate of Education (Ord. Level) Examination, 2020

ව්‍යවසායකත්ව අධ්‍යයනය I, II
முயற்சியாண்மைக் கற்கை I, II
Entrepreneurship Studies I, II

පැය තුනයි
மூன்று மணித்தியாலம்
Three hours

අමතර කියවීම් කාලය - මිනිත්තු 10 යි
மேலதிக வாசிப்பு நேரம் - 10 நிமிடங்கள்
Additional Reading Time - 10 minutes

Use **additional reading time** to go through the question paper, select the questions and decide on the questions that you give priority in answering.

Entrepreneurship Studies I

Note :
(i) *Answer all questions.*
(ii) *In each of the questions* **1** *to* **40**, *pick one of the alternatives* (1), (2), (3), (4) *which is correct or most appropriate.*
(iii) ***Mark a cross*** (X) ***on the number corresponding to your choice in the given answer sheet.***
(iv) *Further instructions are given on the back of the answer sheet. Follow them carefully.*

1. 'Entrepreneur takes decisions and works as his own wish.' The characteristic of entrepreneurship shown from this statement is
(1) creativity.
(2) self motivation.
(3) future vision.
(4) independence.

2. One of the main tasks that an entrepreneur should do to fulfil the objectives successfully is
(1) analysing business environmental conditions.
(2) planning administrative activities of the business.
(3) finding how to supply the capital.
(4) selecting a better business place.

3. A specific characteristic that can be seen in an entrepreneur than a businessman is
(1) taking risks.
(2) having a common objective.
(3) introducing innovations.
(4) earning a high benefit.

4. A main factor which determines the profit of an entrepreneur is
(1) the location of the business.
(2) the friendliness of the entrepreneur.
(3) the quality of the product.
(4) the marked price of the good.

5. A benefit that an entrepreneur gains than a permanent job holder, is being able to
(1) get reputations and appreciations.
(2) work under a certain environmental condition.
(3) use unused talents.
(4) get a high financial benefit easily.

6. The 'electronic payment method' that is being popular at present, can be identified as
(1) a new invention.
(2) an extension.
(3) an imitation.
(4) a combination.

[*see page two*

7. The ability of not adopting to timely change of a business is considered as a
   (1) strength. (2) threat. (3) weakness. (4) challenge.

8. The environmental factors which can be controlled by a business are included in
   (1) micro environment. (2) internal environment.
   (3) external environment. (4) global environment.

9. The required background for the entrepreneurs to make correct decisions is prepared by the
   (1) expert managers. (2) business environmental factors.
   (3) customer needs and wants. (4) various incentives.

10. A common characteristic of a business organization is
   (1) utilizing limited resources.
   (2) performing management functions.
   (3) targeting profits.
   (4) working according to a formal plan.

11. 'Targeted customer' is identified as the customer who is
   (1) already motivated to buy the relevant good or service.
   (2) having income and interest to purchase the relevant good or service.
   (3) expected to motivate to purchase the relevant good or service in future.
   (4) having sufficient income to purchase the relevant good or service in future.

12. 'Covid-19 pandemic influences the businesses.' This factor belongs to
   (1) demographic environment. (2) natural environment.
   (3) social and cultural environment. (4) social environment.

13. The base of classifying businesses as sole proprietorships, partnerships and incorporated companies is
   (1) ownership. (2) objective.
   (3) management. (4) nature of the business.

14. Sirimal expects to start a business under the name of 'Vilasitha'. For registering this business name, the relevant reports, forms and charges should be handed over to
   (1) Grama Niladharee. (2) Divisional Secretary.
   (3) Post Master. (4) District Secretary.

15. The entrepreneur performs various activities in his business. Among them, motivating employees and providing guidance to them, belong to the role of
   (1) entrepreneur. (2) leader. (3) manager. (4) owner.

16. A conceptual skill that an entrepreneur should possess is
   (1) working as a team.
   (2) identifying consumers' needs and wants.
   (3) distributing information among different parties.
   (4) finding new market.

17. An action that can be taken to success small scale businesses is
   (1) operating a business without obtaining loans.
   (2) preparing proper plans and performing according to them.
   (3) planning and maintaining business activities always as their own interest.
   (4) engaging in a business activity associated with a higher benefit.

[*see page three*

18. Preparation of a business plan is needed when
    (1) starting a new business.
    (2) recruiting employees.
    (3) introducing security for obtaining a bank loan.
    (4) registering a business.

19. A main objective of a market analysis done by an entrepreneur is to prepare
    (1) the market plan more accurately.
    (2) the production plan more accurately.
    (3) the administrative plan more accurately.
    (4) the financial plan more accurately.

20. Sirimevan Enterprises (PLC) paid the monthly salary without considering the attendance of their employees. This organization fulfilled
    (1) an economic responsibility. (2) a timely responsibility.
    (3) an ethical responsibility. (4) a legal responsibility.

21. The home delivery service of essential consumer goods at present belongs to
    (1) primary sector. (2) secondary sector.
    (3) tertiary sector. (4) production sector.

22. An incorporated company possesses the right for entering into contracts because of
    (1) controlling by a board of directors.
    (2) raising capital through issuing shares.
    (3) having a legal personality.
    (4) being the limited liability.

23. The most suitable way of conducting a partnership is
    (1) in writing. (2) orally.
    (3) by implication (implied). (4) by registering.

24. Select the correct statement related to 'wants'.
    (1) Wants occur with birth.
    (2) Wants do not change timely.
    (3) Wants are created by entrepreneurs.
    (4) Wants are not different from person to person.

25. A major social factor **against** the entrepreneurship is
    (1) encouraging the entrepreneurship through education.
    (2) having sufficient government incentives for the entrepreneurship.
    (3) having high recognition for salaried jobs.
    (4) desire to take risks of new entrepreneurs.

26. An obstacle to the women entrepreneurship is
    (1) having more opportunities to do business activities beyond the tradition.
    (2) the need to balance the two roles of personal life and entrepreneurship.
    (3) having more job opportunities as women get a higher education.
    (4) having a competition to the women entrepreneurship as the majority of the population is women.

27. Material cost is considered when calculating
    (1) the production cost. (2) the non production cost.
    (3) the marketing and distributing cost. (4) the investment cost.

[*see page four*

28. Franchisor charges a fee from the franchisee for selling goods under his trade name. This is known as

(1) leasing. (2) royalty.
(3) commission. (4) agent charges.

29. The instructions given by Sri Lanka Standard Institution to promote the quality of goods and services produced by businesses can be considered as

(1) an infrastructure facility. (2) a financial incentive.
(3) a non financial incentive. (4) a marketing promotion.

30. An entrepreneur activated in an entrepreneurial culture is one who

(1) always expects the success.
(2) engages in innovation.
(3) works with more confidence on social norms.
(4) engages in business activities without analysing the environment.

31. Sunil runs a business in the area he lives, by investing his saved money and having involved his family members as per his wish. According to these characteristics, Sunil's business is

(1) a medium scale business. (2) a franchise business.
(3) a small scale business. (4) a partnership business.

32. Creating an entrepreneurial culture in Sri Lanka as a developing country is needed for

(1) maintaining a stable level of economic growth.
(2) maintaining the resources as existing way.
(3) emerging new job creators.
(4) controlling the competition.

33. 'Social entrepreneur' is one who

(1) innovates the existing goods or services furthermore.
(2) presents creative solutions to the social problems.
(3) presents new goods or services to the society.
(4) presents creative solutions to the internal problems of the business.

34. A characteristic that can **not** be seen in a Private Limited Company is that

(1) even a single person can start.
(2) it has a legal personality.
(3) it can sell shares to the public.
(4) accounting and auditing is compulsory.

35. Aruna presents a new soap with a good fragrant to the local market. Aruna enters the market by offering

(1) an existing product to the existing market.
(2) an existing product to the new market.
(3) a new product to the existing market.
(4) a new product to the new market.

36. A main expectation of the owner who is one of stakeholders of a business, is the security of

(1) investment. (2) society.
(3) employees. (4) environment.

37. 'Analysis of supply from competitors' is included in

(1) the marketing plan. (2) the production plan.
(3) the administrative plan. (4) the financial plan.

[*see page five*

38. Following are some expenses estimated in a business.

A - Preparing business plan Rs. 15 000
B - Registering the business Rs. 2500
C - Purchasing the business building Rs. 200 000
D - Purchasing goods for selling Rs. 50 000

Among these, pre-startup expenses are

(1) only A and B.
(2) only A and C.
(3) only A, B and C.
(4) all A, B, C and D.

39. A benefit gained by a business by following the social responsibilities is

(1) increasing the employees' welfare in the business.
(2) establishing the long term existence of the business.
(3) reducing the risk of the business activities.
(4) reducing the expenditure of preparing business plans.

40. Prakash expects to invest his savings of Rs. 400 000, get a bank loan of Rs. 300 000 and a building of Rs. 120 000 per year on rent basis and purchase furniture of Rs. 80 000 for his business. According to the above information, in Prakash's business the estimated

(1) total investment is Rs. 400 000.
(2) total cash inflows is Rs. 300 000.
(3) total cash outflows is Rs. 200 000.
(4) total fixed assets is Rs. 200 000.

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ව්‍යවසායකත්ව අධ්‍යයනය I, II
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Entrepreneurship Studies I, II

Entrepreneurship Studies II

∗ *Answer five questions including question No.* 1.

1. Read the following case carefully and answer the questions (i) to (x).

Sihini who has an inborn creative skill, lives in a historical city. She was interested in doing new creations since her childhood. After school education, she followed a course of Batik creations. She was dreaming to start a business of making Batik dresses after visiting an exhibition of Batik creations. As the government gives special incentives for the local Batik industry, Sihini decided to start a business of making Batik dresses with the help of Sithum who has an expertised knowledge of dress making. They expect to sell the Batik dresses produced in the business to the foreigners who come to that area and to the local customers through readymade garment trade centres too. They hope to advertise the details of their products through brochures and internet. Sihini and Sithum have decided to get a bank loan of Rs. 100 000 at a rate of 5% annual interest and invest the other financial needs equally.

(i) Write **two** sources of emerging a business idea to Sihini.
(ii) Write **two** characteristics of entrepreneurship associated with Sihini.
(iii) State **two** parties of target group of customers and **two** promotional strategies mentioned in the above case.
(iv) Write 'a strength' and 'an opportunity' in Sihini and Sithum's business.
(v) State **two** kinds of business organizations that Sihini and Sithum can start.

- Following are the estimated expenses relevant to the business mentioned in the above case.

Item	Value (Rs.)
Purchasing three machines	90 000
Purchasing Batik making instruments	45 000
For preparing business plan	10 000
Inauguration ceremony expenses	12 000
Production expenditure	78 000
Administrative, financial and distributing expenses	65 000

Using the above information, calculate the followings of Sihini and Sithum's business.

(vi) Estimated total fixed assets
(vii) Estimated total pre-startup expenses
(viii) Estimated total working capital requirement
(ix) Estimated total investment
(x) Proposed amount of investment provided by the owners (02 × 10 = 20 *marks*)

[*see page seven*

2. (i) Explain briefly 'Entrepreneurship'.
   (ii) Name **two** types of entrepreneurs that can be seen in business context and give an example for each.
   (iii) Explain **two** ways of introducing innovations by using examples.
   (iv) Write **four** similarities of the businessman and the entrepreneur.
   (v) Write **four** functions that an entrepreneur can do for the social welfare. $(02 \times 5 = 10$ *marks*$)$

3. (i) Explain briefly 'entrepreneurial culture'.
   (ii) Mention **two** business opportunities arised through business environment for women at present.
   (iii) State **two** reasons for the need of government incentives to those who start businesses.
   (iv) Write **two** expectations that the customers try to fulfil from a business as a major party who is interested in business.
   (v) State **two** strengths that are in women to be an entrepreneur in the present social and economic environment. $(02 \times 5 = 10$ *marks*$)$

4. (i) Classify the businesses according to the objective.
   (ii) State **four** factors included in a partnership agreement.
   (iii) State **two** information in an articles of association.
   (iv) Name the **two** parties related to a Franchise and state a function of each party.
   (v) Write **four** advantages of Private Limited Companies. $(02 \times 5 = 10$ *marks*$)$

5. (i) State the basic function of an entrepreneur relating to start and maintain a business.
   (ii) State the **two** basic factors that should be included in a business plan.
   (iii) Write **four** problems that an entrepreneur has to face when not having a business plan.
   (iv) Explain the importance of an executive summary.
   (v) State **four** factors that should be included in a marketing plan. $(02 \times 5 = 10$ *marks*$)$

6. (i) State **two** strengths that can be seen in small scale businesses.
   (ii) Mention **two** business opportunities arised for small businesses due to the spreading of Covid-19.
   (iii) State **two** institutions that provide financial and non financial incentives for businesses and mention one incentive given by each of them.
   (iv) Mention **two** roles that should be performed when an entrepreneur operates the business activities and give an example for each role.
   (v) State **four** benefits that a business can gain, by fulfilling social responsibilities. $(02 \times 5 = 10$ *marks*$)$

[*see page eight*

7. The following are some information in the investment plan prepared for the proposed Sudesh's manufacturing business.

Item	Value (Rs)
Owner's investment	600 000
Bank loan	300 000
Expected sales income	500 000
Preparing business plan	33 000
Preparing the land of factory	12 000
Market survey expenses	10 000
Business registration expenses	5 000
Getting water supply	40 000
Purchasing sewing machines	400 000
Purchasing computers	250 000
Production expenditure	330 000
Opening ceremony expenses	20 000

Required:

Preparing the estimated cash flow statement of Sudesh's business and indicating the cash balance (difference) at the end of the period.

(10 *marks*)

***